## **COMMITTEE REPORT**

## **MADAM PRESIDENT:**

The Senate Committee on Utilities and Regulatory Affairs, to which was referred Senate Bill No. 529, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

1	Page 1, delete lines 5 through 17, begin a new paragraph, and insert:
2	"Sec. 1. (a) This chapter applies to the construction of any
3	segment of an interstate pipeline on privately owned land in
4	Indiana.
5	(b) Except for the standards set forth in section 11 of this
6	chapter, this chapter does not apply to construction activities that
7	occur entirely on:
8	(1) a public right-of-way;
9	(2) a railroad right-of-way; or
10	(3) publicly owned land.
11	Sec. 2. As used in this chapter, "affected landowner" means an
12	affected landowner (as defined in 18 CFR 157.6(d)(2)) who owns:
13	(1) real property; or
14	(2) an interest in real property;
15	in Indiana.
16	Sec. 3. As used in this chapter, "agricultural land" means land
17	that is:
18	(1) assessed as agricultural land for property taxes purposes;
19	(2) zoned or otherwise designated as agricultural land;
20	(3) used for growing crops or raising livestock; or
21	(4) reserved for conservation under a government program.

1	Sec. 4. As used in this chapter, "commission" refers to the
2	Indiana utility regulatory commission created by IC 8-1-1-2.
3	Sec. 5. (a) "Construction" or "construction activity" means the
4	physical work involved in the construction, reconstruction,
5	improvement, maintenance, or extension of a pipeline project.
6	(b) The term includes the following:
7	(1) The preparation of the construction site.
8	(2) Disassembling and removing a structure.
9	(3) Related work.
10	Sec. 6. As used in this chapter, "pipeline" means a pipeline (as
11	defined in IC 8-1-22.5-1(c)) that crosses or is located in:
12	(1) Indiana; and
13	(2) one (1) or more other states.
14	Sec. 7. (a) As used in this chapter, "pipeline company " means
15	a person (as defined in IC 8-1-22.5-1(e)) that:
16	(1) constructs; or
17	(2) proposes to construct;
18	a pipeline.
19	(b) The term includes any:
20	(1) employee;
21	(2) agent;
22	(3) contractor;
23	(4) subcontractor;
24	(5) or other person;
25	that is employed by, or acts on behalf of, a pipeline company.
26	Sec. 8. Except as otherwise provided in this chapter, and to the
27	extent not preempted by federal law, a pipeline company shall
28	adhere to the standards set forth in this chapter in constructing a
29	pipeline, or any segment of a pipeline, in Indiana.
30	Sec. 9. (a) A pipeline company shall bury the pipeline at the
31	following minimum depths:
32	(1) Except as provided in subdivision (3), with at least five (5)
33	feet of top cover, in a location in which the pipeline crosses
34	any of the following types of land:
35	(A) Land that is used for crops.
36	(B) Land that:
37	(i) is used as pasture land; and
38	(ii) is comprised of soils that are classified by the United
39	States Department of Agriculture as prime soils.
40	(C) Land that:
41	(i) is used as other agricultural land; and
42	(ii) is comprised of soils that are classified by the United

1	States Department of Agriculture as prime soils.
2	(2) Except as provided in subdivision (3), with at least three
3	(3) feet of top cover, in a location in which the pipeline crosses
4	any of the following types of land:
5	(A) Land that:
6	(i) is used as pasture land; and
7	(ii) is not comprised of soils that are classified by the
8	United States Department of Agriculture as prime soils
9	(B) Land that:
10	(i) is used as other agricultural land; and
11	(ii) is not comprised of soils that are classified by the
12	United States Department of Agriculture as prime soils
13	(C) Land that is wooded or brushy land.
14	(D) All other classifications of land.
15	(3) With at least thirty (30) inches of top cover, in an area in
16	which:
17	(A) rock in its natural formation; or
18	(B) a continuous strata of gravel exceeding two hundred
19	(200) feet in length;
20	is encountered.
21	(b) If weights are required to keep a pipeline or segment of
22	pipeline in place, the pipeline company shall bury the pipeline at
23	the depth necessary to maintain the depth of top cover above the
24	weights that is required under subsection (a) for the particular
25	type of land on which the weights are located.
26	(c) If a pipeline or segment of pipeline crosses agricultural land
27	that is subject to erosion, the pipeline company shall patrol the
28	pipeline right-of-way with reasonable frequency to detect erosion
29	of the top cover. Except as provided in subsection (a)(3), the
30	pipeline company shall not knowingly allow the depth of the top
31	cover to be less than thirty-six (36) inches as a result of natural
32	erosion. In addition, any soil conservation practices used on
33	agricultural land before the construction of the pipeline, including
34	terraces and grassed waterways, shall be restored by the pipeline
35	company to their preconstruction condition.
36	Sec. 10. (a) In performing any excavation in connection with the
37	construction or burial of a pipeline, a pipeline company shall
38	segregate any topsoil removed during the excavation from any
39	subsoil materials removed during the excavation, as prescribed by
40	this section.

(b) The pipeline company shall strip the actual depth of the

topsoil, not to exceed thirty-six (36) inches, from:

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1	(1) the area to be excavated above the pipeline; and
2	(2) the adjacent subsoil storage area.
3	The topsoil removed must be stored in a windrow parallel to the
4	pipeline trench in such a manner that it will not become intermixed
5	with subsoil materials.
6	(c) Any subsoil materials that are removed from the pipeline
7	trench during the excavation must be placed in a windrow that is:
8	(1) parallel to the pipeline trench; and
9	(2) separate from the topsoil windrow described in subsection
10	(b).
11	(d) Subject to subsection (e), in backfilling the pipeline trench,
12	the pipeline company shall place the stockpiled subsoil material
13	described in subsection (c) into the trench before replacing the
14	stockpiled topsoil described in subsection (b).
15	(e) Before replacing the topsoil, the pipeline company shall
16	remove all rocks greater than three (3) inches in any dimension
17	from:
18	(1) the surface of all subsoil; and
19	(2) all subsoil that is replaced in the trench.
20	In replacing the topsoil, the pipeline company shall remove all
21	rocks greater than three (3) inches in any dimension from the
22	topsoil.
23	(f) This subsection applies whenever a pipeline company:
24	(1) performs an excavation in connection with the
25	construction or burial of a pipeline, as described in subsection
26	(a); or
27	(2) excavates land for a road, stream, drainage ditch, or other
28	crossing.
29	After performing the excavation, the pipeline company shall
30	replace the topsoil in such a manner that after settling occurs, the
31	topsoil's original depth and contour will be restored.
32	Sec. 11. (a) A pipeline company shall take all reasonable actions
33	necessary to prevent or remedy damage to underground drainage
34	tiles during the construction of a pipeline, as prescribed by this
35	section.
36	(b) Before installing any pipeline, the pipeline company shall
37	make a reasonable effort to locate any tile lines within the
38	pipeline's right-of-way. Any tile lines identified under this
39	subsection shall be staked or flagged before construction.
40	(c) In installing a pipeline, the pipeline company shall maintain
41	a minimum of one (1) foot of separation between the pipeline and

any tile line that is crossed by the pipeline, regardless of whether

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the pipeline passes over or under the tile line. The pipeline company shall ensure that the tile line's original alignment and gradient are maintained.

- (d) Any tile line that is damaged, cut, or removed during construction activities shall be staked or flagged so that the stakes or flags:
  - (1) are visibly distinct from the preconstruction markings made under subsection (b); and
  - (2) remain visible until permanent repairs are made.
- (e) If a tile line that contains flowing water is damaged, the pipeline company shall immediately repair the tile line. A repair made under this subsection may be temporary in nature if a permanent repair cannot be made immediately. However, the pipeline company shall make permanent repairs to the tile line as soon as is reasonably possible.
- (f) Before completing any permanent tile line repairs, the pipeline company shall:
  - (1) probe; or

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- (2) examine by other suitable means;
- all tile lines located within any construction sites or other work areas. The pipeline company shall probe or examine the tile lines on both sides of the pipeline trench for the entire length of the tile lines to determine whether any tile has been damaged by vehicular traffic or construction equipment. If the pipeline company discovers damaged tile lines, the pipeline company shall repair the damaged tile lines so that the tile lines operate as well after construction activities are complete as they did before construction began.
  - (g) The pipeline company is responsible for:
    - (1) installing any additional drainage tiles; and
  - (2) taking any additional drainage measures;
- that are necessary to properly drain wet areas on the temporary and permanent easements acquired by the pipeline company in connection with the construction and maintenance of a pipeline across an affected landowner's property.
- (h) The pipeline company shall make any necessary permanent repairs to damaged tile lines on an affected landowner's property not later than fourteen (14) days after the pipeline is laid in the trench on the property. However, if soil or weather conditions do not permit the pipeline company to make the necessary permanent repairs within the timeframe set forth in this subsection, the pipeline company shall make the necessary permanent repairs as

soon as soil and weather conditions allow.

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- (i) Except as provided in subsection (j), after construction of the pipeline is complete, the pipeline company is responsible for correcting all tile line repairs that:
  - (1) were performed by the pipeline company during construction; and
  - (2) have failed as a result of further pipeline construction activities.
- (j) The pipeline company is not responsible for correcting any tile line repairs that:
  - (1) are paid for by the pipeline company; and
  - (2) are performed by the affected landowner or the affected landowner's agent;
- at any time during or after construction.
  - Sec. 12. (a) This subsection applies to a pipeline that crosses agricultural land.
  - (b) A pipeline company shall take all reasonable actions necessary to:
    - (1) alleviate soil compaction that results from the pipeline company's construction activities; and
    - (2) restore the soil on an affected landowner's property to its preconstruction condition;
  - (c) After replacing the topsoil on an affected landowner's property, the pipeline company shall rip and disk all areas on the property that were traversed by vehicles or construction equipment. The pipeline company shall perform any ripping and disking required by this subsection when the soil is dry enough for normal tillage operations to occur on undisturbed agricultural land adjacent to the areas to be ripped and disked. The pipeline company shall restore all rutted land to its original condition.
    - (d) The cost of applying any:

as prescribed in this section.

- (1) fertilizer;
  - (2) manure; or
- **(3) lime**;

needed to restore the soil to its preconstruction condition shall be included in the damages paid by the pipeline company to the affected landowner for the easement or other interest acquired in the landowner's land. The affected landowner shall be allowed to determine the appropriate types and amounts of fertilizer, manure, or lime needed, depending on the types of crops grown and the duration of the construction activities on the land.

Sec. 13. (a) After construction of a pipeline is complete, the pipeline company shall take all reasonable actions necessary to restore an affected landowner's property to its preconstruction elevation and contour if:

- (1) uneven settling occurs; or
- (2) surface drainage problems develop; on the property as a result of the construction.
  - (b) An affected landowner who discovers:
    - (1) uneven settling; or

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(2) surface drainage problems;

on the landowner's property after construction is complete, must give the pipeline company written notice of the conditions or problems discovered if the landowner seeks to have the pipeline company correct the conditions or problems.

(c) Not later than forty-five (45) days after receiving notice from an affected landowner under subsection (b), a pipeline company shall provide land leveling services to correct the conditions or problems described in the notice. However, if soil or weather conditions do not permit the pipeline company to provide the necessary land leveling services within the timeframe set forth in this subsection, the pipeline company shall provide the necessary land leveling services as soon as soil and weather conditions allow.

Sec. 14. If a pipeline company determines that it is necessary to remove one (1) or more trees from an affected landowner's property for the construction of a pipeline, regardless of whether the trees are located in the pipeline company's right of way or on another part of the property, the pipeline company shall notify the landowner of the planned removal. If the trees to be removed are of commercial or other value to the affected landowner:

- (1) the affected landowner retains ownership of the trees; and
- (2) the pipeline company shall negotiate with the affected landowner concerning disposition of the trees before the commencement of any removal activities.
- Sec. 15. (a) This section applies to a pipeline that crosses agricultural land.
  - (b) If, during the construction of a pipeline:
- (1) the pipeline; or
- (2) any temporary work sites or construction areas; cross an operational spray irrigation system on an affected landowner's property, the pipeline company shall negotiate with the affected landowner to establish an acceptable amount of time that the irrigation system may be out of service.

1	(c) If, as a result of pipeline construction activities:
2	(1) there is an interruption in the affected landowner's
3	irrigation system; and
4	(2) the interruption results in damage to crops on the affected
5	landowner's property, regardless of whether the crops are
6	located:
7	(A) in the pipeline company's right-of-way; or
8	(B) on another part of the property;
9	the pipeline company shall compensate the affected landowner for
10	the landowner's reasonable damages.
11	(d) If it is:
12	(1) feasible; and
13	(2) mutually acceptable to the pipeline company and the
14	affected landowner;
15	temporary measures shall be implemented to allow an irrigation
16	system to continue to operate on the part of the landowner's
17	property on which the pipeline is being constructed.
18	Sec. 16. (a) Before a pipeline company begins construction of a
19	pipeline on an affected landowner's property, the pipeline company
20	shall negotiate with the affected landowner to reach a mutually
21	acceptable agreement on the route that will be used to access the
22	pipeline company's temporary or permanent easements on the
23	landowner's property if access to the easements is not practical or
24	feasible from:
25	(1) adjacent segments of the pipeline right-of-way; or
26	(2) a public highway or railroad right-of-way.
27	(b) Before a pipeline company begins construction of a pipeline
28	on an affected landowner's property, the pipeline company shall
29	negotiate with the affected landowner to determine the location of
30	any temporary roads that will be used in connection with the
31	construction. A temporary road used by the pipeline company for
32	construction purposes shall:
33	(1) be designed so that it does not impede surface drainage
34	from the affected landowner's property; and
35	(2) be built to minimize soil erosion on or near the temporary
36	road.
37	Upon abandonment, a temporary road may be left intact by mutual
38	agreement of the affected landowner and the pipeline company,
39	unless prohibited by any federal, state, or local law or regulation.
40	Sec. 17. If a pipeline company has rights to the surface use of a
41	right-of-way, including any:

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(1) valve sites;

1	(2) metering stations;
2	(3) compression stations; or
3	(4) other locations in which pipeline facilities or
4	appurtenances are located;
5	the pipeline company shall provide for weed control in a manner
6	that prevents the spread of weeds onto adjacent agricultural lands.
7	Sec. 18. (a) Except as provided in subsection (b), if it becomes
8	necessary for a pipeline company to pump water from an open
9	trench in connection with the pipeline company's construction
10	activities, the pipeline company shall pump the water in a manner
11	that will not:
12	(1) inundate adjacent crops for more than twenty-four (24)
13	hours;
14	(2) deposit sediment in ditches or water courses;
15	(3) deposit:
16	(A) subsoil sediment; or
17	(B) gravel;
18	in fields or pasture land; or
19	(4) otherwise damage adjacent crops, pasture land, or other
20	agricultural land.
21	(b) If it is impossible for the pipeline company to avoid any of
22	the damages described in subsection (a), the pipeline company
23	shall:
24	(1) compensate the affected landowner for the landowner's
25	reasonable damages; or
26	(2) correct the damages so as to restore the affected land to its
27	preconstruction condition.
28	Sec. 19. (a) As used in this section, "affected landowner"
29	includes the heirs, successors, legal representatives, and assigns of
30	an affected landowner.
31	(b) A pipeline company shall indemnify an affected landowner
32	from and against any claims or damages resulting from or arising
33	out of:
34	(1) the pipeline company's construction, maintenance,
35	operation, repair, removal, or use of pipeline on the affected
36	landowner's property; or
37	(2) the existence of the pipeline on the affected landowner's
38	property;
39	except for claims or damages resulting from or arising out of the
40	affected landowner's negligence, intentional acts, or willful
41	omissions.
42	Sec. 20. (a) Not later than forty-five (45) days before beginning

construction on an affected landowner's property, a pipeline company shall provide the affected landowner with a toll free telephone number that the landowner can call to report any construction activities or repairs that:

- (1) are performed by the pipeline company on the affected landowner's property; and
- (2) violate, or appear to the landowner to violate, any provisions of this chapter.
- (b) A pipeline company shall provide an affected landowner at least twenty-four (24) hours advance notice before entering the landowner's property to begin construction of the pipeline. This subsection does not affect a pipeline company's duties under IC 32-24-1-3(g) that apply:
  - (1) before the pipeline company acquires an easement or other interest in the landowner's property under IC 32-24; and
  - (2) in connection with the pipeline company's entry upon the landowner's property for the purpose of surveying or examining the property.

## Sec. 21. (a) Except as otherwise:

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- (1) provided in this chapter; or
- (2) agreed to by the pipeline company and an affected landowner;

any mitigative action required to be performed by a pipeline company under this chapter shall be performed not later than forty-five (45) days after the completion of construction activities on the affected landowner's property. However, if soil or weather conditions do not permit the pipeline company to perform a required mitigative action within the timeframe set forth in this subsection, the pipeline company shall perform the required action as soon as soil and weather conditions allow.

- (b) Except as otherwise agreed to by the pipeline company and an affected landowner, a pipeline company's duty to perform any mitigative action required by this chapter:
  - (1) extends beyond the initial construction of the pipeline on the affected landowner's property; and
  - (2) includes the duty to repair or correct damages caused by the pipeline company during future construction, operation, maintenance, and repair activities related to the pipeline.
- (c) The pipeline company shall implement all mitigative actions required by this chapter to the extent the actions do not conflict with the requirements of:
- (1) any federal, state, or local regulations or rules; or

1	(2) any permits or approvals obtained by the pipeline
2	company in connection with the pipeline construction project.
3	(d) A pipeline company shall include a statement of its duty to
4	adhere to the standards set forth in this chapter in any:
5	(1) environmental assessment; or
6	(2) environmental impact statement;
7	prepared in connection with a pipeline construction project.
8	Sec. 22. Notwithstanding the standards set forth in this chapter,
9	an affected landowner is entitled to negotiate for different
10	construction standards with a pipeline company in the course of:
11	(1) any negotiations involved in establishing a price for any:
12	(A) easement; or
13	(B) other interest in land;
14	needed by the pipeline company to construct the pipeline
15	across the affected landowner's property; or
16	(2) any other negotiations voluntarily entered into by the
17	pipeline company and the affected landowner.
18	Sec. 23. The provisions of this chapter are severable as provided
19	in IC 1-1-1-8(b).".
20	Delete pages 2 through 6.
21	Page 7, delete lines 1 through 21, begin a new paragraph and insert:
22	"SECTION 2. IC 8-1-22.7 IS ADDED TO THE INDIANA CODE
23	AS A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24	UPON PASSAGE]:
25	Chapter 22.7. Monitoring of Pipeline Construction Projects
26	Sec. 1. The definitions in IC 8-1-22.6 apply throughout this
27	chapter.
28	Sec. 2. As used in this chapter, "division" refers to the pipeline
29	safety division of the Indiana utility regulatory commission
30	established by IC 8-1-22.5-2.".
31	Page 7, line 22, delete "10." and insert "3.".
32	Page 7, delete lines 34 through 37.
33	Page 7, line 38, delete "(4)" and insert "(3)".
34	Page 7, line 40, delete "(5)" and insert "(4)".
35	Page 7, line 41, delete "12" and insert "4".
36	Page 7, line 42, delete "(6)" and insert "(5)".
37	Page 8, delete lines 1 through 17.
38	Page 8, line 18, delete "12." and insert "4.".
39	Page 8, line 20, delete "The standards adopted by the division under
40	section 7 of" and insert "A link to the pipeline construction
41	standards set forth in IC 8-1-22.6.".
42	Page 8, delete line 21.

- Page 8, line 36, delete "10" and insert "3".
  Page 8, delete lines 39 through 42.
  Page 9, delete lines 1 through 7.
- Page 9, line 8, delete "(F)" and insert "(E)".
- Page 9, line 10, delete "(G)" and insert "(F)".
- 6 Page 9, delete lines 13 through 17.
- Page 9, line 18, delete "(c)" and insert "(b)".
- 8 Page 9, line 24, delete "10" and insert "3".
- 9 Page 9, delete lines 25 through 42.

Page 10, delete lines 1 through 20, begin a new paragraph and insert:

"SECTION 3. IC 32-24-1-3, AS AMENDED BY P.L.163-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Any person that may exercise the power of eminent domain for any public use under any statute may exercise the power only in the manner provided in this article, except as otherwise provided by law.

- (b) Except as provided in subsection (g), before proceeding to condemn, the person:
  - (1) may enter upon any land to examine and survey the property sought to be acquired; and
  - (2) must make an effort to purchase for the use intended the land, right-of-way, easement, or other interest, in the property.
- (c) The effort to purchase under subsection (b)(2) must include the following:
  - (1) Establishing a proposed purchase price for the property.
  - (2) Providing the owner of the property with an appraisal or other evidence used to establish the proposed purchase price.
    - (3) Conducting good faith negotiations with the owner of the property.
- (d) If the land or interest in the land, or property or right is owned by a person who is an incapacitated person (as defined in IC 29-3-1-7.5) or less than eighteen (18) years of age, the person seeking to acquire the property may purchase the property from the guardian of the incapacitated person or person less than eighteen (18) years of age. If the purchase is approved by the court appointing the guardian and the approval is written upon the face of the deed, the conveyance of the property purchased and the deed made and approved by the court are valid and binding upon the incapacitated person or persons less than eighteen (18) years of age.
- (e) The deed given, when executed instead of condemnation, conveys only the interest stated in the deed.

1	(f) If property is taken by proceedings under this article, the entire
2	fee simple title may be taken and acquired.
3	(g) This subsection applies to a public utility (as defined in IC
4	32-24-1-5.9(a)) or a pipeline company (as defined in IC 8-1-22.6-7).
5	If a public utility or a pipeline company seeks to acquire land or an
6	interest in land under this article, the public utility or pipeline
7	company may not enter upon the land to examine or survey the
8	property sought to be acquired unless either of the following occur:
9	(1) The public utility or the pipeline company sends notice by
0	certified mail to the affected landowner (as defined in
1	IC 8-1-22.6-2) of the public utility's or the pipeline company's
2	intention to enter upon the landowner's property for survey
3	purposes. The notice required by this subdivision must be
4	mailed not later than fourteen (14) days before the date of the
.5	public utility's or the pipeline company's proposed
6	examination or survey.
7	(2) The public utility or the pipeline company receives the
8	landowner's signed consent to enter the property to perform
9	the proposed examination or survey.
20	An affected landowner may bring an action to enforce this
21	subsection in the circuit court of the county in which the
22	$landowner's \ property\ is\ located.\ A\ prevailing\ landowner\ is\ entitled$
23	to the landowner's actual damages as a result of the public utility's
24	or the pipeline company's violation. In addition, the court may
25	award a prevailing landowner reasonable costs of the action and
26	attorney's fees.".
27	Page 10, line 21, delete "2." and insert "3.".
28	Renumber all SECTIONS consecutively.
	(Reference is to SB 529 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

Senator Hershman, Chairperson